



CRC Memorandum

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Second in a series of papers on *Public Policy Issues in the Financing of Michigan Hospitals*

HEALTH INSURANCE COVERAGE AND UNINSURED/ UNCOMPENSATED CARE IN MICHIGAN HOSPITALS

In Brief

- The percent of Michigan residents without health insurance (including both private and governmental) for an *entire year* has been below the national average every year since 1987 with the greatest difference in 1988 (5.5 percent in Michigan vs. 12.2 percent U.S.) and the least difference in 1998 (15.1 percent vs. 11.5 percent)
- The highest percentage of uninsured occurred in 1998 near the height of the 1990's economic boom.
- The number of Michigan residents without health insurance decreased each year from 1998 through 2000.
- In 2000, 72.7 percent of those with insurance in Michigan were covered through an employer-based plan compared with 64.1 percent nationwide.
- Michigan hospitals reported charges of \$1.1 billion for uninsured and uncompensated care in 2000 with associated costs of \$456.2 million after accounting for recoveries, offsets and private payment receipts.
- Of the 150 hospitals, 129 showed losses from uninsured and uncompensated care in amounts ranging from \$48.6 million to \$1,967 million. Ten hospitals reported no cost and 12 hospitals showed positive income as receipts exceeded costs.

Health Insurance Coverage

While the majority of persons in Michigan and the United States have health insurance coverage, the number of those who do not is significant. Some 38.7 million persons nationwide (14.0 percent) and 1.0 million in Michigan (9.8 percent) were without health coverage for the *entire* 2000 calendar year. Largely due to Medicare, only about 1-2 percent of persons aged 65 and older are not covered by private or public health insurance. New special programs directed towards persons less than 18 year of age such as Health Kids and MICHild are expected to reduce the percent of uninsured youth and children from the estimated 9.7 percent level reported for 1999.

Since the Census Bureau began collecting data as a part of the Current Population Survey in 1987, the national trend has been an increase in the percent of the population with-

out health insurance. This was reversed in the country as a whole for the first time between 1999 and 2000. The Michigan experience has been more varied with the percent of uninsured decreasing in 6 of the year-to-year periods and increasing in 6. The percent of uninsured in Michigan has been less than the national average in each year. **Table 1** shows coverage since 1987.

While the number of uninsured has generally increased between 1987 and 2000, so has the number with insurance. Until 1998, as the population has grown, the number of people with and without insurance has increased. In Michigan, those with health insurance have increased every year since 1992 while those without insurance have both risen and fallen during the same period – the highest number occurring in 1998 at 1.1 million.

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CRC Memorandum

Table 1
Number and Percent of U.S. and Michigan Residents With
and Without Health Insurance for the Entire Calendar Year

Year	Number of Persons (000)				Per Cent of Persons			
	United States		Michigan		United States		Michigan	
	Insured	Not Insured	Insured	Not Insured	Insured	Not Insured	Insured	Not Insured
2000	237,824	38,716	9,236	1,004	86.0	14.0	90.2	9.8
1999	234,893	39,194	9,104	1,023	85.7	14.3	89.9	10.1
1998	230,710	41,033	8,886	1,155	84.9	15.1	88.5	11.5
1997	228,999	40,095	8,854	940	85.1	14.9	90.4	9.6
1996	228,374	38,418	8,905	691	85.6	14.4	92.8	7.2
1995	226,781	37,533	8,872	772	85.8	14.2	92.0	8.0
1994	225,410	36,695	8,760	762	86.0	14.0	92.0	8.0
1993	223,128	36,625	8,673	900	85.9	14.1	90.6	9.4
1992	221,387	35,443	8,557	775	86.2	13.8	91.7	8.3
1991	219,010	32,437	8,596	677	87.1	12.9	92.7	7.3
1990	217,277	31,609	8,486	708	87.3	12.7	92.3	7.7
1989	215,663	30,528	8,684	614	87.6	12.4	93.4	6.6
1988	213,955	29,730	8,729	508	87.8	12.2	94.5	5.5
1987	212,968	28,219	8,386	602	88.3	11.7	93.3	6.7

NOTE: Adjusted to reflect the follow-up questions initiated in 1999 as follows:
 Reduce US total percent uninsured for years 1998 and earlier to reflect the 1.2 percent reduction from 15.5 percent to 14.3 percent.
 Reduce Michigan total percent uninsured for years 1998 and earlier to reflect the 1.7 percent reduction from 11.8 percent to 10.1 percent.
 Numbers of persons reflect duplicate persons due to multiple coverages (See Table 2 Note)

Source: Current Population Survey of the Bureau of the Census, U.S. Department of Commerce.

About the Michigan Data

The following tables, charts and analyses are based on information filed for two recent fiscal years. Cost and Indigent Volume reports were filed for 170 hospitals for the periods in this report: 20 of which are not included (These hospitals are listed in the first report of this series, Memorandum 1060). Available data for these 20 hospitals can be found on the CRC website at: www.crcmich.org.

The 2000 data is for the period October 1, 1999 through September 30, 2000. Hospital fiscal years end at different times (most are either December 31 or June 30) so that the impact of a particular federal

or state policy change or reimbursement alteration or change in economic climate can be reflected unevenly in the data of different hospitals.

Uninsured charges are divided into three categories: charity, patient pay and state or local programs. The charity designation indicates that the hospital did not bill for the service and treated the costs as charity from the time of service. Uninsured patient pay represents charges for care given to persons without insurance who are billed for the care but who may or may not fully pay for it. Charges for persons covered by a state or local program, such

as state prisoners receiving surgery at a local hospital, are reported separately as uninsured.

Some hospitals have a policy to bill for all care. Care that another hospital might categorize as charity is thus reported as an uninsured patient pay amount. This memorandum combines the three categories.

Hospitals also report charges for services to insured persons that are not fully paid. These are called uncompensated and often consist of unpaid deductibles and co-payments for both governmental (Medicare) and private insurance programs.

Data Characteristics

Michigan hospitals are required to file an Indigent Volume report along with the Medicaid cost report every year that is used to calculate a special payment, which totaled \$45.0 million in 2000 to the 47 hospitals

determined to be providing a disproportionate share of care to indigent persons. Because some two-thirds of the hospitals do not receive payments as a result of filing the report and because not all reports have been

independently audited, it is possible that information is not as accurate as it might be otherwise. The data has been submitted to the state by each facility and represents information in hospital files.

CRC Memorandum

Who Pays for Health Insurance?

Governmental health insurance programs (Medicare, Medicaid and Military) cover about 11-13 percent of the Michigan and U.S. population while private insurance covers some 72 per-

cent nationally and 79 percent in Michigan. Included in the private insurance figures are governmental employees whose insurance is paid for by government but administered

through private insurers and certain select groups such as prisoners who may also be provided insurance through a private insurer or through managed care organizations.

Table 2
Type of Health Insurance Coverage for United States and Michigan Population: Calendar Year 2000

<u>Line</u>		<u>Number of Persons (000)</u>		<u>Per Cent of Persons</u>	
		<u>United States</u>	<u>Michigan</u>	<u>United States</u>	<u>Michigan</u>
1	Total Population	276,540	10,240		
2	Total Covered	237,812	9,239	86.0	90.2
3	Private	200,171	8,101	72.4	79.1
4	Employment-Based	177,226	7,440	64.1	72.7
5	Other	22,945	661	8.3	6.5
6	Government				
7	Medicare	37,015	1,298	13.4	12.7
8	Medicaid	28,648	1,046	10.4	10.2
9	Military	8,301	87	3.0	0.8
10	Total Not Covered	38,729	1,001	14.0	9.8

NOTE: Numbers and percentages exceed totals due of duplicate coverages for an individual - Medicare and private for example.

Totals Lines 4-9	274,135	10,532
Less Total Line 2	<u>237,812</u>	<u>9,239</u>
Duplicate Coverage	36,323	1,293

Source: Current Population Survey of the Bureau of the Census (www.census.gov/hhes/hlthins/historic/hihist4.html)

Coverage Trends

Most authors of articles on health insurance coverage make particular note of the fact that the percent of those without health insurance did not decline during the economic boom of the 1990s. An article in the November/December 2001 Health Affairs

(*Calm Before the Storm: Expected Increase in the Number of Uninsured Americans*, pp. 207-210) uses regression analysis to indicate that the reason for this was that the rate of growth in health spending was approximately equal to the rate of growth in personal

income during this period. Current data shows health-spending growth is rising and personal income growth is declining which would predict a growing number of uninsured.

CRC Memorandum

Uninsured and Uncompensated Care in Michigan

Table 3 shows year 2000 total uninsured and uncompensated charges, costs and recoveries and offsets for the 150 hospitals covered in this Memorandum.

Total hospital charges for uninsured and uncompensated care in 2000 were some \$1.1 billion. The costs associated with these charges were \$620.0 million and hospitals received \$163.8

million in funds against these charges. The resulting net cost was \$456.2 million.

Table 3
Michigan Hospitals
Uninsured and Uncompensated Care Charges, Costs and Offsets
for Fiscal Years Ending October 1, 1999 through September 30, 2000

<u>Category:</u>	<u>Charges</u>	<u>Costs</u>	<u>Payments, Recoveries & Offsets (P, R & O)</u>	<u>Charges Net of P, R & O</u>	<u>Costs Net of P, R & O</u>
Uninsured Care	\$ 721,530,926	\$384,740,692	\$143,196,283	\$578,334,643	\$241,544,409
Uncompensated Care	<u>403,863,813</u>	<u>235,250,829</u>	<u>20,566,671</u>	<u>383,297,142</u>	<u>214,684,158</u>
Total Uninsured/Uncompensated	\$1,125,394,739	\$619,991,521	\$163,762,954	\$961,631,785	\$456,228,567

NOTE: Does not include data for psychiatric hospitals or for hospitals closing between 1998 and 2000 and those without data for 1998.

Source: Medicaid Indigent Volume reports filed with the Michigan Department of Community Health.

CRC Memorandum

Table 4 is a listing of individual hospitals.

NOTE: This table shows the cost of uninsured and uncompensated care. Where payments exceed cost, the number is shown as a negative amount.

One hundred twenty-eight facilities did not recover the cost of uninsured and uncompensated care, 10 reported none in either category, and 12 show payments for the uninsured, recoveries and offsets exceeding the cost of uninsured and uncompensated care

due either to payments by uninsured persons exceeding costs or because of timing differences between the provision of services and receipt of payment, or both.

Table 4
Uninsured and Uncompensated Charges and Costs of Individual Michigan Hospitals for 2000

<u>Hospital Name in 2000</u>	<u>Affiliation (If Any) 2000</u>	<u>Total Uninsured/Uncompensated Charges</u>	<u>Total Uninsured/Uncompensated Costs</u>	<u>Uninsured Payments</u>	<u>Recoveries Offset Costs</u>	<u>Net Uninsured/Uncompensated Costs</u>	<u>Rank</u>
Henry Ford Hospital	Henry Ford Health System	\$91,998,259	\$58,737,068	\$ 5,792,863	\$4,359,946	\$48,584,259	1
Detroit Receiving Hospital	Detroit Medical Center	67,893,494	38,091,874	3,933,495	0	34,158,379	2
Harper University Hospital	Detroit Medical Center	47,831,030	30,414,472	1,000,000	0	29,414,472	3
Sinai-Grace Hospital	Detroit Medical Center	60,006,104	30,660,634	1,427,104	0	29,233,530	4
University Health System		44,280,924	31,987,952	11,235,100	1,845,882	18,906,970	5
St. John Hospital	St. John Health System	45,592,926	20,400,397	2,489,634	0	17,910,763	6
Oakwood Hospital and Medical Center	Oakwood Healthcare, Inc.	32,701,145	13,415,636	3	533,861	12,881,771	7
William Beaumont Hospital - Royal Oak	William Beaumont Hospital Corp.	23,047,915	11,714,197	350,108	177,944	11,186,145	8
St. Joseph Mercy Hospital - Ann Arbor	Trinity Health/ Sisters of Mercy Health Corp.	22,704,038	11,594,749	705,036	0	10,889,713	9
Metropolitan Hospital, Grand Rapids		12,459,320	13,140,475	1,028,514	1,331,480	10,780,481	10
Borgess Hospital		22,771,815	12,696,967	1,237,640	880,069	10,579,258	11
Bronson Methodist Hospital	Bronson Group	17,682,712	11,521,465	693,258	1,413,080	9,415,127	12
Botsford General Osteopathic Hospital		17,581,454	10,026,088	322,664	604,412	9,099,012	13
St. Mary's Mercy Medical Center (Grand Rapids)	Trinity Health/ Sisters of Mercy Health Corp.	13,252,816	8,361,508	5,620	254,333	8,101,555	14
Spectrum Health - Butterworth Campus		23,215,847	17,742,323	9,704,224	0	8,038,099	15
Edward W. Sparrow Hospital		16,181,823	8,536,394	4	687,764	7,848,626	16
Mercy Hospital, Detroit	Trinity Health/ Sisters of Mercy Health Corp.	9,484,899	7,750,370	2	0	7,750,368	17
Hurley Medical Center		17,421,978	10,189,982	2,494,712	0	7,695,270	18
Garden City Osteopathic Hospital		18,271,207	8,651,310	1,062,453	0	7,588,857	19
Mt. Clemens General Osteopathic Hospital		19,850,625	9,356,002	1,739,406	483,111	7,133,485	20
Pontiac Osteopathic Hospital		14,289,020	8,146,081	1,042,551	0	7,103,530	21
Children's Hospital of Michigan	Detroit Medical Center	11,387,000	7,444,269	1,253,000	0	6,191,269	22
Emma L. Bixby Hospital		8,866,616	5,571,267	203,665	326,296	5,041,306	23
St. John Northeast Community Hospital*	St. John Health System	20,671,262	8,189,053	2,990,942	264,806	4,933,304	24
Detroit Riverview Hospital	Detroit-Macomb Hospital Corp.	13,592,954	6,867,759	1,635,415	602,269	4,630,075	25
Covenant Medical Center, Inc.		21,975,984	8,195,255	3,281,159	394,631	4,519,464	26
Oakland General Hospital	Sisters of St. Joseph Health System	10,493,879	5,473,974	975,116	0	4,498,858	27
Hackley Hospital		13,342,640	7,454,333	2,991,364	0	4,462,969	28
Genesys Regional Medical Center - Flint Osteo Campus	Genesys Regional Medical Center	15,181,950	8,885,797	4,477,617	0	4,408,180	29
W. A. Foote Memorial Hospital		13,244,531	6,658,568	1,534,126	771,268	4,353,174	30
Huron Valley - Sinai Hospital	Detroit Medical Center	11,527,000	5,307,496	1,029,000	0	4,278,496	31
Oakwood Hospital Annapolis Center	Oakwood Healthcare, Inc.	10,880,601	4,342,910	2	283,922	4,058,986	32
Lakeland Hospital - St. Joseph		9,594,032	6,174,837	2,203,422	0	3,971,415	33
Three Rivers Hospital		6,404,476	5,085,084	955,298	278,016	3,851,770	34
Ingham Regional Medical Center	McLaren Health Care Corp.	8,265,501	4,398,667	684,119	0	3,714,548	35
Oakwood Hospital Heritage Center	Oakwood Healthcare, Inc.	7,682,221	3,796,212	4	261,636	3,534,572	36
McLaren General Hospital*		5,528,603	3,887,469	3	532,781	3,354,685	37
Providence Hospital	St. John Health System	35,365,116	13,461,969	10,269,600	0	3,192,369	38
North Oakland Medical Center		10,269,011	5,374,052	2,262,806	0	3,111,246	39
Rehabilitation Institute	Detroit Medical Center	4,940,458	3,123,480	104,458	0	3,019,022	40

CRC Memorandum

Table 4 (continued)

<u>Hospital Name in 2000</u>	<u>Affiliation (If Any) 2000</u>	Total	Total	Uninsured Payments	Recoveries Offset Costs	Net	Rank
		Uninsured/ Uncompensated Charges	Uninsured/ Uncompensated Costs			Uninsured/ Uncompensated Costs	
St. Joseph Mercy Hospital & Health Services		6,526,200	2,866,481	3	91,571	2,774,907	41
Bi-County Community Hospital	Horizon Health System	9,477,402	5,567,380	2,285,227	670,530	2,611,623	42
Crittenton Hospital		10,131,929	4,102,659	1,690,196	0	2,412,463	43
Bay Medical Center		5,198,305	2,374,886	3	0	2,374,883	44
Forest Health Medical Center, Inc.	Oakwood Healthcare, Inc.	4,541,153	2,446,479	2	154,964	2,291,513	45
Herrick Memorial Hospital, Inc.		4,408,296	2,191,208	43,379	0	2,147,829	46
Mercy General Health Partners	Trinity Health/ Sisters of Mercy Health Corp.	8,032,973	3,598,817	1,365,475	257,705	1,975,637	47
Port Huron Hospital		4,966,879	2,335,856	268,713	270,151	1,796,992	48
Mercy Memorial Hospital		3,668,380	1,794,151	0	0	1,794,151	49
St. John Macomb Hospital	St. John Health System	6,009,266	2,322,216	582,867	0	1,739,349	50
William Beaumont Hospital - Troy	William Beaumont Hospital Corp.	4,877,995	1,809,149	60,844	39,267	1,709,037	51
Spectrum Health - East Campus		10,549,993	7,144,091	5,515,165	0	1,628,926	52
Northern Michigan Hospitals, Inc.		2,691,329	1,734,883	0	109,344	1,625,540	53
St. Francis Hospital*		3,596,783	1,858,271	215,391	157,624	1,485,257	54
Oakwood Hospital Seaway Center	Oakwood Healthcare, Inc.	3,027,003	1,540,772	2	82,921	1,457,849	55
Dickinson County Memorial Hospital		2,921,635	1,268,625	104,846	0	1,163,779	56
South Haven Community Hospital		2,281,419	1,161,408	2	0	1,161,406	57
McPherson Hospital	Mercy Health Services	4,012,712	1,712,384	551,219	0	1,161,165	58
Munson Medical Center	Munson Healthcare	7,353,141	4,310,648	3,173,499	0	1,137,149	59
Tawas St. Joseph Hospital		2,407,385	1,109,102	0	0	1,109,102	60
Bon Secours Hospital	Bon Secours Cottage Health Services	2,225,540	1,079,459	2	0	1,079,457	61
Riverside Osteopathic Hospital	Horizon Health System	3,509,893	1,812,891	574,167	351,341	887,383	62
North Ottawa Community Hospital		1,646,652	882,808	2	0	882,806	63
Iron County General Hospital		2,300,714	1,319,498	439,924	0	879,574	64
Mercy Hospital, Port Huron	Trinity Health/ Sisters of Mercy Health Corp.	1,897,363	871,771	2	0	871,769	65
Lapeer Regional Hospital		3,677,289	1,620,597	753,258	0	867,339	66
Hillsdale Community Health Center		2,601,051	1,241,447	381,996	0	859,451	67
Hayes Green Beach Memorial Hospital		1,413,433	1,042,827	0	193,982	848,845	68
Allegan General Hospital		1,129,909	840,900	2	0	840,898	69
Trillium Hospital		2,037,469	1,197,745	358,118	0	839,627	70
Pennock Hospital		2,247,876	1,355,837	253,947	271,374	830,516	71
Community Health Center		1,805,171	806,821	2	0	806,819	72
United Memorial Hospital		1,557,556	800,158	0	0	800,158	73
Spectrum Health - Reed City Campus		1,597,550	798,977	0	0	798,977	74
Mecosta County General Hospital		1,425,636	809,784	15,455	0	794,329	75
St. Mary's Medical Center - Saginaw		13,213,286	5,559,819	4,785,410	0	774,409	76
Saline Community Hospital	Trinity Health/ Sisters of Mercy Health Corp.	1,691,871	759,035	0	0	759,035	77
Memorial Medical Center of West Michigan		3,234,186	1,709,985	953,934	0	756,051	78
Helen Newberry Joy Hospital		2,499,847	1,040,127	314,502	0	725,625	79
Sturgis Memorial Hospital		1,207,024	645,078	2	0	645,076	80
Doctors Hospital of Jackson		1,364,422	639,653	0	0	639,653	81
Bronson Vicksburg Hospital	Bronson Group	1,324,723	821,307	122,020	61,692	637,596	82
Kelsey Memorial Hospital		743,275	633,377	2	0	633,375	83
Mackinac Straits Hospital		789,801	828,299	227,217	0	601,082	84
Sheridan Community Hospital		1,345,933	629,926	2	40,932	588,992	85
Marquette General Hospital		2,734,609	1,353,694	790,341	0	563,353	86
West Branch Regional Medical Center		1,187,758	709,285	155,898	0	553,387	87
West Shore Medical Center		1,242,624	795,477	248,431	0	547,046	88
Ionia County Memorial Hospital		1,086,098	545,655	0	0	545,655	89
Lee Memorial Hospital		1,015,739	533,184	0	0	533,184	90
Lake View Community Hospital		1,805,928	867,014	277,581	68,588	520,845	91
St. Mary Mercy Hospital	Trinity Health/ Sisters of Mercy Health Corp.	4,077,941	1,803,626	1,198,189	102,266	503,171	92
Otsego County Memorial Hospital		1,304,676	895,835	306,841	87,080	501,915	93
Alpena General Hospital		2,723,778	1,476,630	811,850	168,525	496,255	94
Chippewa War Memorial Hospital		1,105,715	671,377	204,886	0	466,491	95

CRC Memorandum

Table 4 (continued)

<u>Hospital Name in 2000</u>	<u>Affiliation (If Any) 2000</u>	Total	Total	Uninsured	Recoveries	Net	Rank
		Uninsured/ Uncompensated Charges	Uninsured/ Uncompensated Costs				
Chelsea Community Hospital		2,570,834	1,297,614	704,551	138,845	454,218	96
Mercy Hospital, Cadillac	Mercy Health Services	1,625,927	760,667	307,710	0	452,957	97
Cheboygan Memorial Hospital		1,055,206	454,880	56,678	0	398,202	98
Oaklawn Hospital		1,090,976	535,890	2	148,482	387,406	99
St. John - North Shores Hospital	Sisters of St. Joseph Health System	800,504	373,178	0	0	373,178	100
Francis Bell Memorial Hospital		615,368	366,652	2	0	366,650	101
Ontonagon Memorial Hospital		569,765	366,040	22	13	366,005	102
Charlevoix Area Hospital		738,313	441,669	87,562	0	354,107	103
Standish Community Hospital		1,100,466	613,978	260,358	0	353,620	104
Portage Health Systems		681,121	343,985	20	0	343,965	105
Huron Memorial Hospital		475,279	325,892	2	0	325,890	106
Grand View Hospital		585,641	316,007	1,997	0	314,010	107
Schoolcraft Memorial Hospital		436,065	305,625	2	0	305,623	108
Henry Ford Wyandotte Hospital	Henry Ford Health System	644,488	267,910	0	0	267,910	109
Zeeland Community Hospital*		675,666	369,804	122,230	0	247,574	110
Mary Free Bed Guild		544,820	391,760	146,707	0	245,053	111
Lakeshore Community Hospital		595,954	415,476	170,945	0	244,531	112
Mid-Michigan Medical Center - Clare	Mid-Michigan Reg'l Medical Center	1,774,561	837,972	660,164	0	177,808	113
Gerber Memorial Hospital		1,564,526	754,890	606,578	0	148,312	114
Southwestern Michigan Rehabilitation		194,010	140,347	0	0	140,347	115
Munising Memorial Hospital		250,254	139,151	300	0	138,851	116
Scheurer Hospital		326,794	158,679	29,732	0	128,947	117
Caro Community Hospital		397,562	220,461	77,853	37,725	104,883	118
Carson City Osteopathic Hospital		3,224,923	2,311,950	2,232,135	0	79,815	119
Clinton Memorial Hospital		130,315	68,970	2	0	68,968	120
Healthsource Saginaw		67,991	50,097	2	-9,818	59,913	121
Paul Oliver Memorial Hospital-Total	Munson Healthcare	240,214	172,360	120,107	0	52,253	122
Deckerville Community Hospital		365,384	274,769	210,034	25,218	39,517	123
Kalkaska Memorial Health Center		379,565	221,935	189,783	0	32,152	124
Mid-Michigan Medical Cntr - Gladwin	Mid-Michigan Reg'l Medical Center	966,017	419,179	395,207	0	23,972	125
Leelanau Memorial Hospital		100,665	65,522	50,332	0	15,190	126
Cottage Hospital of Grosse Pointe	Bon Secours Cottage Health Services	5,500	3,164	3	0	3,161	127
Great Lakes Regional Rehab Hospital		4,503	1,968	1	0	1,967	128
Battle Creek Health System	Trinity Health/ Sisters of Mercy Health Corp.	0	0	0	0	0	129
Harbor Beach Community Hospital		0	0	0	0	0	130
Kern Hospital & Medical Center		0	0	0	0	0	131
Keweenaw Memorial Medical Center		0	0	0	0	0	132
Madison Community Hospital		0	0	0	0	0	133
Memorial Hospital, Owosso		0	0	0	0	0	134
NextCare Hospital of Muskegon		0	0	0	0	0	135
Rogers City Rehabilitation Hospital		0	0	0	0	0	136
Spectrum Health - Kent Community Campus		0	0	0	0	0	137
Straith Memorial Hospital		0	0	0	0	0	138
Marlette Community Hospital		1,696,204	919,141	779,136	142,351	-2,346	139
Community Hospital, Watervliet		1,604,836	855,181	673,518	187,502	-5,839	140
McKenzie Memorial Hospital*		535,637	274,020	274,316	77,904	-78,200	141
Mercy Hospital, Grayling	Mercy Health Services	1,750,896	731,292	855,060	0	-123,768	142
Holland Community Hospital		4,794,974	2,655,015	2,771,485	57,035	-173,505	143
St. Joseph Mercy Oakland	Trinity Health/ Sisters of Mercy Health Corp.	10,452,518	4,458,679	4,757,748	0	-299,069	144
Eaton Rapids Medical Center		0	0	352,822	0	-352,822	145
St. John River District Hospital	Sisters of St. Joseph Health System	2,969,611	1,346,674	1,798,884	0	-452,210	146
Gratiot Community Hospital		2,188,375	1,676,505	2,187,235	0	-510,730	147
Central Michigan Community Hospital		2,360,721	1,114,111	1,699,810	0	-585,699	148
Hills & Dales General Hospital		3,705,047	2,388,107	3,108,072	23,179	-743,143	149
Mid-Michigan Medical Cntr - Midland	Mid-Michigan Reg'l Medical Center	7,351,043	4,306,593	5,360,855	270,871	-1,325,134	150

* Cost reports subject to final acceptance by Department of Community Health

Source: Medicaid Indigent Volume reports filed with the Michigan Department of Community Health.

CRC Memorandum

Table 5 shows the impact of uninsured and uncompensated cost on the financial results of each hospital in

state fiscal year 2000. Had these hospitals not experienced the financial results of uninsured and uncompen-

sated care, the overall surplus would have been \$1.1 billion rather than \$635.4 million.

Table 5
Effect of Uninsured and Uncompensated Costs on Individual Hospital Financial Results for 2000

<u>Hospital Name in 2000</u>	<u>Affiliation (If Any) 2000</u>	<u>Surplus (Deficit) 2000</u>	<u>Rank</u>	<u>Net Uninsured/Uncompensated Costs</u>	<u>Surplus (Deficit) Without U&U Cost</u>	<u>Rank</u>
University Health System		\$318,006,184	1	\$(18,906,970)	\$336,913,154	1
Detroit Receiving Hospital	Detroit Medical Center	45,630,000	3	(34,158,379)	79,788,379	2
St. John Hospital	St. John Health System	46,758,337	2	(17,910,763)	64,669,100	3
William Beaumont Hospital - Royal Oak	William Beaumont Hospital Corp.	41,221,002	4	(11,186,145)	52,407,147	4
Children's Hospital of Michigan	Detroit Medical Center	37,019,811	5	(6,191,269)	43,211,080	5
Borgess Hospital		25,665,658	6	(10,579,258)	36,244,916	6
Bronson Methodist Hospital	Bronson Group	23,789,328	7	(9,415,127)	33,204,455	7
St. Joseph Mercy Hospital - Ann Arbor	Trinity Health/ Sisters of Mercy Health Corp.	20,042,095	9	(10,889,713)	30,931,808	8
Spectrum Health - Butterworth Campus		18,518,905	11	(8,038,099)	26,557,004	9
Providence Hospital	St. John Health System	21,556,549	8	(3,192,369)	24,748,918	10
W. A. Foote Memorial Hospital		18,897,483	10	(4,353,174)	23,250,657	11
St. Mary's Mercy Medical Center (Grand Rapids)	Trinity Health/ Sisters of Mercy Health Corp.	13,523,165	15	(8,101,555)	21,624,720	12
Spectrum Health - East Campus		18,358,000	12	(1,628,926)	19,986,926	13
Lakeland Hospital - St. Joseph		15,195,051	13	(3,971,415)	19,166,466	14
Oakland General Hospital	Sisters of St. Joseph Health System	13,937,250	14	(4,498,858)	18,436,108	15
Oakwood Hospital and Medical Center	Oakwood Healthcare, Inc.	5,150,809	31	(12,881,771)	18,032,580	16
Crittenton Hospital		13,505,926	16	(2,412,463)	15,918,389	17
Metropolitan Hospital, Grand Rapids		3,769,617	39	(10,780,481)	14,550,098	18
Munson Medical Center	Munson Healthcare	13,082,694	18	(1,137,149)	14,219,843	19
Marquette General Hospital		13,215,390	17	(563,353)	13,778,743	20
McLaren General Hospital*		9,602,776	23	(3,354,685)	12,957,461	21
Henry Ford Wyandotte Hospital	Henry Ford Health System	12,495,000	19	(267,910)	12,762,910	22
Mt. Clemens General Osteopathic Hospital		5,271,538	29	(7,133,485)	12,405,023	23
William Beaumont Hospital - Troy	William Beaumont Hospital Corp.	10,428,788	22	(1,709,037)	12,137,825	24
Holland Community Hospital		12,173,590	20	173,505	12,000,085	25
Mid-Michigan Medical Center - Midland	Mid-Michigan Regional Medical Center	12,070,663	21	1,325,134	10,745,529	26
Botsford General Osteopathic Hospital		1,038,517	67	(9,099,012)	10,137,529	27
Covenant Medical Center, Inc.		5,458,605	28	(4,519,464)	9,978,069	28
Lapeer Regional Hospital		8,702,381	24	(867,339)	9,569,720	29
Saline Community Hospital	Trinity Health/ Sisters of Mercy Health Corp.	7,874,000	25	(759,035)	8,633,035	30
St. Mary's Medical Center - Saginaw		7,857,006	26	(774,409)	8,631,415	31
Oakwood Hospital Annapolis Center	Oakwood Healthcare, Inc.	4,566,807	33	(4,058,986)	8,625,793	32
St. Joseph Mercy Hospital & Health Services		4,958,886	32	(2,774,907)	7,733,793	33
Garden City Osteopathic Hospital		(4,821)	102	(7,588,857)	7,584,036	34
Detroit Riverview Hospital	Detroit-Macomb Hospital Corp.	2,777,955	48	(4,630,075)	7,408,030	35
Edward W. Sparrow Hospital		(741,347)	119	(7,848,626)	7,107,279	36
Hurley Medical Center		(876,281)	122	(7,695,270)	6,818,989	37
Mercy Hospital, Port Huron	Trinity Health/ Sisters of Mercy Health Corp.	5,855,000	27	(871,769)	6,726,769	38
McPherson Hospital	Mercy Health Services	5,259,263	30	(1,161,165)	6,420,428	39
Hackley Hospital		1,653,659	58	(4,462,969)	6,116,628	40
St. John Macomb Hospital	St. John Health System	4,344,096	36	(1,739,349)	6,083,445	41
Bon Secours Hospital	Bon Secours Cottage Health Services	4,270,531	37	(1,079,457)	5,349,988	42
Pennock Hospital		4,440,461	34	(830,516)	5,270,977	43
Mercy Memorial Hospital		3,354,086	42	(1,794,151)	5,148,237	44
Pontiac Osteopathic Hospital		(2,225,371)	134	(7,103,530)	4,878,159	45

CRC Memorandum

Table 5 (continued)

<u>Hospital Name in 2000</u>	<u>Affiliation (If Any) 2000</u>	<u>Surplus (Deficit) 2000</u>	<u>Rank</u>	<u>Net Uninsured/ Uncompensated Costs</u>	<u>Surplus (Deficit) Without U&U Cost</u>	<u>Rank</u>
West Shore Medical Center		3,882,158	38	(547,046)	4,429,204	46
Rehabilitation Institute	Detroit Medical Center	1,387,208	62	(3,019,022)	4,406,230	47
Port Huron Hospital		2,521,761	49	(1,796,992)	4,318,753	48
Herrick Memorial Hospital, Inc.		2,097,234	51	(2,147,829)	4,245,063	49
Oaklawn Hospital		3,754,163	40	(387,406)	4,141,569	50
St. Joseph Mercy Oakland	Trinity Health/ Sisters of Mercy Health Corp.	4,435,732	35	299,069	4,136,663	51
St. Mary Mercy Hospital	Trinity Health/ Sisters of Mercy Health Corp.	3,598,622	41	(503,171)	4,101,793	52
Three Rivers Hospital		216,923	91	(3,851,770)	4,068,693	53
North Ottawa Community Hospital		3,143,812	44	(882,806)	4,026,618	54
St. John Northeast Community Hospital*	St. John Health System	(978,576)	123	(4,933,304)	3,954,728	55
Community Health Center		3,131,407	45	(806,819)	3,938,226	56
Francis Bell Memorial Hospital		3,056,075	46	(366,650)	3,422,725	57
Cottage Hospital of Grosse Pointe	Bon Secours Cottage Health Services	3,325,573	43	(3,161)	3,328,734	58
South Haven Community Hospital		1,874,091	55	(1,161,406)	3,035,497	59
Dickinson County Memorial Hospital		1,750,952	57	(1,163,779)	2,914,731	60
Mecosta County General Hospital		2,014,173	52	(794,329)	2,808,502	61
Allegan General Hospital		1,947,600	54	(840,898)	2,788,498	62
Bi-County Community Hospital	Horizon Health System	51,721	99	(2,611,623)	2,663,344	63
Alpena General Hospital		1,983,086	53	(496,255)	2,479,341	64
Gratiot Community Hospital		2,938,565	47	510,730	2,427,835	65
Oakwood Hospital Heritage Center	Oakwood Healthcare, Inc.	(1,146,678)	126	(3,534,572)	2,387,894	66
Memorial Medical Center of West Michigan		1,631,051	59	(756,051)	2,387,102	67
Mary Free Bed Guild		2,098,329	50	(245,053)	2,343,382	68
Lake View Community Hospital		1,530,630	60	(520,845)	2,051,475	69
Gerber Memorial Hospital		1,833,339	56	(148,312)	1,981,651	70
North Oakland Medical Center		(1,208,798)	128	(3,111,246)	1,902,448	71
Bronson Vicksburg Hospital	Bronson Group	1,227,376	63	(637,596)	1,864,972	72
Portage Health Systems		1,439,865	61	(343,965)	1,783,830	73
United Memorial Hospital		860,471	74	(800,158)	1,660,629	74
Ionia County Memorial Hospital		943,441	71	(545,655)	1,489,096	75
Hillsdale Community Health Center		614,808	81	(859,451)	1,474,259	76
St. Francis Hospital*		(20,560)	103	(1,485,257)	1,464,697	77
Sheridan Community Hospital		873,512	73	(588,992)	1,462,504	78
Standish Community Hospital		1,094,436	66	(353,620)	1,448,056	79
Mid-Michigan Medical Center - Clare	Mid-Michigan Regional Medical Center	1,162,263	65	(177,808)	1,340,071	80
Scheurer Hospital		1,206,069	64	(128,947)	1,335,016	81
Charlevoix Area Hospital		971,858	70	(354,107)	1,325,965	82
Zeeland Community Hospital*		1,034,821	68	(247,574)	1,282,395	83
Chippewa War Memorial Hospital		814,424	75	(466,491)	1,280,915	84
Tawas St. Joseph Hospital		125,167	94	(1,109,102)	1,234,269	85
Otsego County Memorial Hospital		679,727	78	(501,915)	1,181,642	86
Iron County General Hospital		203,398	92	(879,574)	1,082,972	87
Marlette Community Hospital		1,010,286	69	2,346	1,007,940	88
Keweenaw Memorial Medical Center		918,571	72	0	918,571	89
Sturgis Memorial Hospital		272,605	87	(645,076)	917,681	90
Northern Michigan Hospitals, Inc.		(793,591)	120	(1,625,540)	831,949	91
Hayes Green Beach Memorial Hospital		(70,123)	105	(848,845)	778,722	92
Memorial Hospital, Owosso		776,956	77	0	776,956	93
Mercy Hospital, Cadillac	Mercy Health Services	307,074	84	(452,957)	760,031	94
Helen Newberry Joy Hospital		(43,078)	104	(725,625)	682,547	95
Ontonagon Memorial Hospital		299,940	85	(366,005)	665,945	96
St. John - North Shores Hospital	Sisters of St. Joseph Health System	282,161	86	(373,178)	655,339	97
Mid Michigan Medical Center - Gladwin	Mid-Michigan Regional Medical Center	625,742	80	(23,972)	649,714	98
Cheboygan Memorial Hospital		219,629	90	(398,202)	617,831	99
Lakeshore Community Hospital		364,357	83	(244,531)	608,888	100

CRC Memorandum

Table 5 (continued)

Hospital Name in 2000	Affiliation (If Any) 2000	Surplus (Deficit) 2000	Rank	Net Uninsured/ Uncompensated Costs	Surplus (Deficit) Without U&U Cost	Rank
Grand View Hospital		192,902	93	(314,010)	506,912	101
Eaton Rapids Medical Center		809,493	76	352,822	456,671	102
Munising Memorial Hospital		241,998	88	(138,851)	380,849	103
Mackinac Straits Hospital		(262,824)	109	(601,082)	338,258	104
Carson City Osteopathic Hospital		237,783	89	(79,815)	317,598	105
Southwestern Michigan Rehabilitation		90,914	96	(140,347)	231,261	106
St. John River District Hospital	Sisters of St. Joseph Health System	650,046	79	452,210	197,836	107
Schoolcraft Memorial Hospital		(173,801)	107	(305,623)	131,822	108
Kalkaska Memorial Health Center		91,365	95	(32,152)	123,517	109
Clinton Memorial Hospital		20,109	100	(68,968)	89,077	110
Paul Oliver Memorial Hospital-Total	Munson Healthcare	16,069	101	(52,253)	68,322	111
Community Hospital, Watervliet		70,207	98	5,839	64,368	112
Huron Memorial Hospital		(281,694)	110	(325,890)	44,196	113
Doctors Hospital of Jackson		(595,974)	116	(639,653)	43,679	114
McKenzie Memorial Hospital*		75,581	97	78,200	(2,619)	115
Straith Memorial Hospital		(111,950)	106	0	(111,950)	116
Chelsea Community Hospital		(676,004)	117	(454,218)	(221,786)	117
Rogers City Rehabilitation Hospital		(227,374)	108	0	(227,374)	118
Hills & Dales General Hospital		466,885	82	743,143	(276,258)	119
Trillium Hospital		(1,154,394)	127	(839,627)	(314,767)	120
Kern Hospital & Medical Center		(366,869)	111	0	(366,869)	121
Leelanau Memorial Hospital		(407,246)	113	(15,190)	(392,056)	122
Kelsey Memorial Hospital		(1,028,010)	124	(633,375)	(394,635)	123
Caro Community Hospital		(501,814)	114	(104,883)	(396,931)	124
Harbor Beach Community Hospital		(403,783)	112	0	(403,783)	125
Bay Medical Center		(2,796,142)	136	(2,374,883)	(421,259)	126
Deckerville Community Hospital		(553,390)	115	(39,517)	(513,873)	127
Riverside Osteopathic Hospital	Horizon Health System	(1,634,535)	132	(887,383)	(747,152)	128
Emma L. Bixby Hospital		(5,791,299)	140	(5,041,306)	(749,993)	129
NextCare Hospital of Muskegon		(824,340)	121	0	(824,340)	130
Mercy Hospital, Grayling	Mercy Health Services	(737,021)	118	123,768	(860,789)	131
Lee Memorial Hospital		(1,418,618)	131	(533,184)	(885,434)	132
Spectrum Health - Kent Community Campus		(1,048,598)	125	0	(1,048,598)	133
West Branch Regional Medical Center		(1,723,063)	133	(553,387)	(1,169,676)	134
Healthsource Saginaw		(1,264,512)	129	(59,913)	(1,204,599)	135
Great Lakes Regional Rehab Hospital		(1,335,516)	130	(1,967)	(1,333,549)	136
Spectrum Health - Reed City Campus		(2,243,941)	135	(798,977)	(1,444,964)	137
Oakwood Hospital Seaway Center	Oakwood Healthcare, Inc.	(3,978,651)	139	(1,457,849)	(2,520,802)	138
Ingham Regional Medical Center	McLaren Health Care Corp.	(6,708,582)	141	(3,714,548)	(2,994,034)	139
Madison Community Hospital		(3,015,067)	138	0	(3,015,067)	140
Harper University Hospital	Detroit Medical Center	(32,607,000)	148	(29,414,472)	(3,192,528)	141
Central Michigan Community Hospital		(2,986,055)	137	585,699	(3,571,754)	142
Mercy General Health Partners	Trinity Health/ Sisters of Mercy Health Corp.	(7,133,521)	142	(1,975,637)	(5,157,884)	143
Genesys Regional Medical Center - Flint Osteo Campus	Genesys Regional Medical Center	(10,532,973)	143	(4,408,180)	(6,124,793)	144
Huron Valley - Sinai Hospital	Detroit Medical Center	(11,608,000)	144	(4,278,496)	(7,329,504)	145
Mercy Hospital, Detroit	Trinity Health/ Sisters of Mercy Health Corp.	(15,433,581)	146	(7,750,368)	(7,683,213)	146
Battle Creek Health System	Trinity Health/ Sisters of Mercy Health Corp.	(13,931,459)	145	0	(13,931,459)	147
Forest Health Medical Center, Inc.	Oakwood Healthcare, Inc.	(17,296,594)	147	(2,291,513)	(15,005,081)	148
Sinai-Grace Hospital	Detroit Medical Center	(49,384,308)	149	(29,233,530)	(20,150,778)	149
Henry Ford Hospital	Henry Ford Health System	(91,118,290)	150	(48,584,259)	(42,534,031)	150

* Cost reports subject to final acceptance by Department of Community Health

Source: Medicaid Indigent Volume reports filed with the Michigan Department of Community Health.

CRC Memorandum

Health Systems Planning Areas

In the late 1960s, the state designated 8 health systems planning areas. **Table 6** reflects uninsured and uncompensated data for these areas with the City of Detroit separated from the Southeast area. The Southeast area and the City of Detroit (46.8 percent of Michigan's population) account for 68.7 percent of total net uninsured and uncompensated costs.

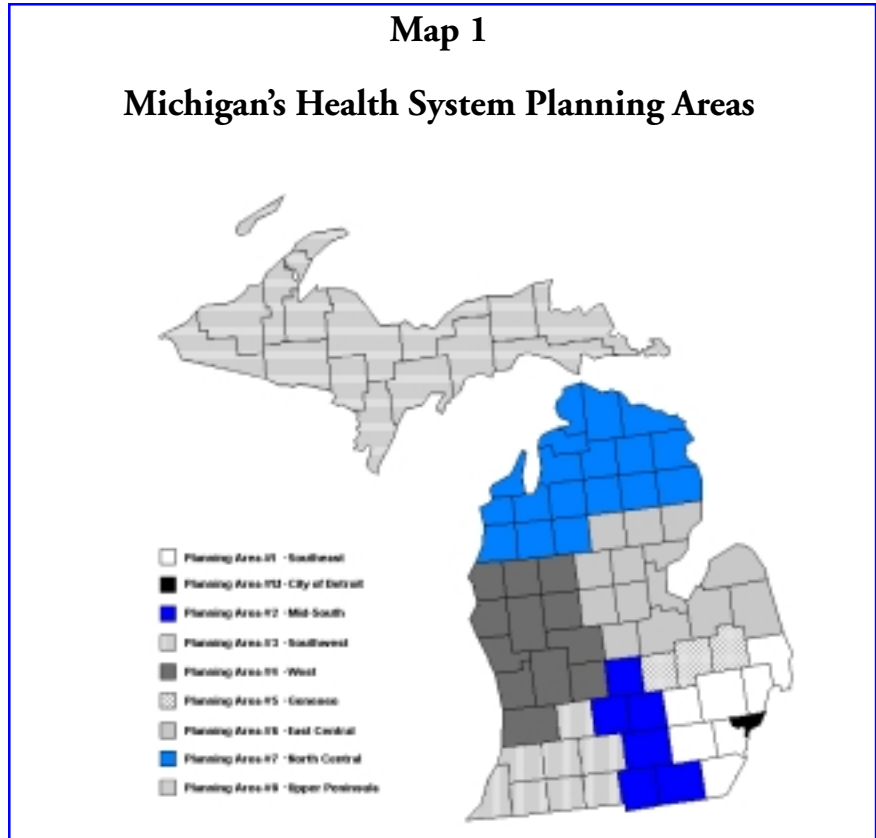


Table 6
Uninsured and Uncompensated Costs of Michigan Hospitals
by Health System Areas
(See Map for Designations)

<u>Area Name</u>		<u>Total Uninsured/Uncompensated Charges</u>	<u>Total Uninsured/Uncompensated Costs</u>	<u>Uninsured Payments</u>	<u>Recoveries Offset Costs</u>	<u>Net Uninsured/Uncompensated Costs</u>
Area 1	Southeast*	\$ 355,506,641	\$177,914,626	\$ 44,437,469	\$ 6,092,625	\$127,384,532
Area 1.1	City of Detroit	373,398,386	211,679,377	20,626,913	5,227,020	185,825,443
Area 2	Mid-South	56,475,988	30,349,001	3,200,113	1,979,311	25,169,577
Area 3	Southwest	73,068,206	44,398,166	6,774,810	3,308,803	34,314,553
Area 4	West	119,736,622	78,976,013	30,846,074	1,941,486	46,188,453
Area 5	Genesee	43,506,024	25,502,986	8,504,726	675,133	16,323,127
Area 6	East Central	63,409,220	28,932,206	20,298,875	819,710	7,813,621
Area 7	North Central	21,206,334	12,061,797	6,207,853	364,948	5,488,996
Area 8	Upper Peninsula	<u>19,087,318</u>	<u>10,177,351</u>	<u>2,299,450</u>	<u>157,636</u>	<u>7,720,264</u>
Total		\$1,125,394,739	\$619,991,522	\$143,196,283	\$20,566,671	\$456,228,568

* Without the City of Detroit

Source: Medicaid Indigent Volume reports filed with the Michigan Department of Community Health

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Summary

According to the United States Census Bureau, some 1 million of Michigan's 9.9 million citizens were not covered by health insurance for the entire calendar year 2000. This was down from a high of 1.1 million in 1998. Until 1998 the trend had been generally upward in both numbers and percent. There are indications that numbers may be on the rise again as a result of the weakened economy and the rising cost of health insurance.

While Medicare and Medicaid address the provision of hospital services for the aged and many without sufficient income to pay for services, there remains a substantial amount of hospital cost that is not reimbursed. In

2000, the portion identified as a result of uninsured and uncompensated care amounted to \$1.1 billion in charges with a net cost of \$456.2 million. The \$456.2 million represents 3.1 percent of total net patient revenue and 74 percent of total hospital surpluses for 2000.

Some have suggested that the state should be the payer of last resort and reimburse hospitals for these unpaid costs. If the state were to enact a similar plan for hospitals as it has for nursing homes and managed care organizations (See CRC Note 2002-01) so that the resulting federal match was at the maximum payment level allowed by the federal government, hospitals would receive some \$82.5 mil-

lion in new funds. The current and foreseen shortfall in revenues necessary to continue current state programs (See CRC State Budget Notes at www.crcmich.org/PUBLICAT/2000s/2002LIST.HTM) appears to preclude the use of general fund monies to address this issue.

Some Michigan counties have or are developing programs to assist local employers in paying for health insurance through what are known as 1/3, 1/3, 1/3 arrangements. Under these, the cost of health insurance is divided three ways among the employer, the employee and the county. It will be a few years before the impact of these initiatives are known.